have numerous contacts with persons in the industry, or groups who have expressed an interest in entering into the business. However, none has expressed a serious interest in the stations. The trading environment is presently slow due to a lack of interest from investors, as well as the lack of bank financing for unprofitable single stations or start-up television properties in smaller markets.

television station in the market is, in my opinion, enough basis on which to conclude that no prudent person would wish to build or operate a new UHF station in this market. Nonetheless, in order to support my opinion further, I inquired of four of our firm's industry contacts, including two with experience in the Greenville-New Bern-Washington market, as to whether there was any interest among prospective purchasers in a new UHF standalone station in the market. None of these contacts elicited any interest whatsoever. The parties I contacted indicated that the size of the market is too small, and the television advertising revenue is insufficient, to support a new UHF independent television facility.

I declare under penalty of perjury that the foregoing facts are true and correct.

Dated: 4/6/93

Millard S. Younts

EXHIBIT G

DECLARATION

	<u>T</u> Iohn W. Gaine	evIII. Preside	nt of Local Tele	evision
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- 3) At the time of the filing of the application, WFXI had been in operation for only two years. During the 14 months between the filing of the Jacksonville application, and the settlement proposal filed in this proceeding, WFXI has been more successful in reaching a greater portion of its market, both because of improved program offerings and because of an affiliation agreement we have reached with new independent station WYDO, Greenville, North Carolina, by which that station rebroadcasts much of the crucial portions of the WFXI schedule. This allows our programming to reach parts of the northern and western sections of the market, where it was not previously available.
- 4) While this has meant some improvement in the status of WFXI, market conditions in the ADI have become worse. Our home county, Carteret, has suffered several major plant closings and reductions in force, plus a "Red Tide" which has had a severe negative impact on our fishing industry. Onslow County, in which

television market revenues actually decreased from 1991 to 1992, when non-recurring political advertising was not considered. While these revenues have been declining or static, increased competition for the advertising dollar has occurred in the market. Three FM stations have commenced operations in the market within the last 18 months. Two additional stations are authorized in the market, and applications are pending for three more. Additionally, there have been three combinations of two FM stations, through time brokerage agreements or through purchases under the new radio duopoly rules, which have created more formidable competitors for the local advertising dollar. Cable is also an important factor locally, as the cable penetration rates in the entire ADI, and in Carteret and Onslow Counties in particular, are extremely high. The local cable systems have been aggressive in their local sales efforts. These efforts will be even more effective as a local cable owner, Vision Cable (a division of S.I. Newhouse Publishing) recently announced plans to link their cable systems in Morehead City-Havelock, Jacksonville, and Wilmington together via a fiber optic interconnect system. This should facilitate regional advertising sales by these companies, in direct competition with the local television stations.

6) These market conditions have taken their toll on local television operators. Diversified Communications, which operates ABC affiliate WCTI in New Bern, has announced that it is attempting to sell its station. We have also heard rumors that

at least one of the other stations in the market is also for sale, principally due to the poor market performance.

- only way that a Jacksonville station can survive is to operate it as a satellite of an existing facility in the market. This would also have the effect of ensuring the long term viability of WFXI, by providing it coverage in the southern portion of the geographically large Greenville-New Bern-Washington ADI. As a satellite, we would provide independent programming on the station to address the needs and interests of Jacksonville, but that programming would be supported by the economically stable base provided by WFXI. If this base were not provided by WFXI, it is our belief that such local programming would never be developed, as no station would otherwise be economically viable in Jacksonville. We would also provide a local main studic, accessible to residents of Jacksonville.
- 8) The foregoing is true and correct to the best of my knowledge and belief.

Dated: 4-6-93

CERTIFICATE OF SERVICE

I, Rhea Lytle, hereby certify that I have this 6th day of April, 1993, mailed by first class United States mail, postage prepaid, copies of the foregoing "SUPPLEMENT TO PETITION FOR LEAVE TO AMEND AND REQUEST FOR AUTHORITY FOR SATELLITE OPERATION" to the following:

*Joseph Chachkin Administrative Law Judge Federal Communications Commission 2000 L Street, N.W., Room 226 Washington, D.C. 20554

*Robert Zauner, Esq.
Hearing Branch, Mass Media Bureau
Enforcement Division
Federal Communications Commission
2025 M Street, N.W., Room 7212
Washington, D.C. 20554

Gregg P. Skall, Esq.
Pepper & Corazzini
1776 K Street, N.W.
Suite 200
Washington, D.C. 20006
(Counsel to Charles Fitzgerald)

Dennis F. Begley, Esq.
Reddy, Begley & Martin
1001 22nd Street, N.W.
Suite 350
Washington, D.C. 20037
(Counsel to Webber/Moore Broadcasting,
Limited Partnership)

Rhea Lytle

*Hand Delivered